

1-1-1980

## Washington report, vol. 9 no.25, August 18, 1980

American Institute of Certified Public Accountants.

Follow this and additional works at: [https://egrove.olemiss.edu/aicpa\\_news](https://egrove.olemiss.edu/aicpa_news)



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

---

### Recommended Citation

American Institute of Certified Public Accountants., "Washington report, vol. 9 no.25, August 18, 1980" (1980). *Newsletters*. 750.  
[https://egrove.olemiss.edu/aicpa\\_news/750](https://egrove.olemiss.edu/aicpa_news/750)

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Newsletters by an authorized administrator of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

# AICPA *Washington Report*

---

August 18, 1980, Volume IX, Issue 25

CSA	Correction to Uniform Standards rule published. . . . .	p.1
GAO	Support lent to Rep. Harris: Report issued on year-end spending. . . . .	p.1
HHS	Regulations proposed on PSRO's. . . . .	p.1
Justice	FBI installs white collar crime "hotline". . . . .	p.1
DOL	Final regulations on certain ERISA acquisitions, sales, and leases. . . . .	p.2
	Department issues corrections to proposed rules on employee pension benefit plans. . . . .	p.2
OMB	Improving government relations: Semi-annual agenda published. . . . .	p.2
SEC	Williams continues opposition to Federal charters for corporations. . . . .	p.2
	8/21/80 open meeting has packed schedule. . . . .	p.3
Treasury	Revision of currency transaction form for reporting requirement changes	p.3

## COMMUNITY SERVICES ADMINISTRATION

A correction to the final rule on the Uniform Federal Standards, Part 1050, Subpart 0-Property Management Standards has recently been published by the Administration, (see the 8/11/80 Fed. Reg., pp.53155-56). Subpart 0 sets the standards governing management of property acquired with funds awarded by the CSA or cost of which was charged to a project supported by CSA grants. The correction was effective as of 8/11/80. For additional information contact E. W. Covington at 202/632-6520.

## GENERAL ACCOUNTING OFFICE

"Government Agencies Need Effective Planning to Curb Unnecessary Year-End Spending" is the title of a 7/28/80 General Accounting Office (GAO) report to Rep. Herbert E. Harris, Chairman of the Subcommittee on Human Resources, Committee on Post Office and Civil Service. Responding to a specific request from Rep. Harris last year, the GAO looked at four Federal agencies and sixteen major civilian agencies. The report discusses the causes, techniques, and effects of year-end spending. The report states that "spending or obligating funds at year-end does not necessarily result in waste". It outlined certain agency techniques used to spend excess funds at year-end: non-competitive or sole-source contracts, contract modifications, incremental funding of existing contracts beyond current needs, and prime contract awards to the U.S. Small Business Administration under Section 8(a) of the Small Business Act. The report focused on HEW consulting services and concluded that "increased fourth quarter awards for consulting services could result in improper awards and poorly documented files because of the extraordinary workload placed on program and contracting offices and the purchase of duplicate or unneeded consulting services." The GAO also indicated support for the temporary spending limitation proposed in Rep. Harris' bill, HR 7287, the "Year-End Spending Control Act."

## HEALTH AND HUMAN SERVICES, DEPARTMENT OF

Regulations which establish the guidelines for the designation of Professional Standards Review Organization (PSRO) areas will be amended according to a recent HCFA proposal, (see the 8/11/80 Fed. Reg., pp.53189-90). The proposed changes will allow the Administrator to redesignate PSRO areas for the purpose of increased efficiency in PSRO operations. Additionally, HCFA is proposing to delete the State and County specific PSRO area descriptions from the regulations. Comments are requested by 10/10/80 and should refer to file HSQ-71P. For additional information contact Marjorie Geller at 202/245-7890.

## JUSTICE, DEPARTMENT OF

White collar crime activity can now be reported to the FBI through a telephone "hotline" in Washington, D.C. The hotline, which opened on 8/11/80, is part of an overall effort using telephone tips, paid informants and undercover agents to "crack down on crime, embezzlement and fraud." The hotline which permits callers to remain anonymous, is manned 24 hours a day by a team of agents who speak a variety of languages including: Chinese, Spanish, French and German. It has been estimated by the FBI that the white collar crime program has netted nearly 3,300 convictions nationwide, resulting in the prevention of \$1.1 billion in economic losses during fiscal year 1979,

and 6 percent increase in convictions over the same period a year earlier. The Washington hotline number is 252-7777.

In a related matter, GAO last year installed a similar "hotline" which is nationwide, dealing with "fraud, abuse and waste in Federal government programs and operations", (see the 1/22/79 Wash. Rept.). The hotline number for the Metropolitan Washington, D.C. area is 633-6987 and the nationwide number is 800/424-5454.

#### LABOR, DEPARTMENT OF

Final regulations on certain acquisitions, sales or leases of property by employee benefit plans have been issued by the Department of Labor in an "attempt to clarify the fiduciary provisions" of the Employee Retirement Security Act (ERISA). The regulation will permit plans to deal in certain employer securities and real property if the following conditions are met: the purchase, sale or lease must be for adequate consideration; no commission may be charged directly or indirectly to the plan, and; in the case of the purchase of qualifying employer securities and the purchase or lease of qualifying employer real property by a plan other than an eligible individual account plan, the purchase or lease must comply with ERISA's provisions that limit such investments by a plan to 10 percent of the fair market value of plan assets. For further information on DOL's 8/7/80 release contact Elaine Graves at 202/523-8921.

Corrections have been made recently to the Department of Labor's proposed rules on employee benefit plans, (see the 8/1/80 Fed. Reg., pp.51231-9). "Rules and Regulations for Reporting and Disclosure and Minimum Standards for Employee Pension Benefit Plans: Individual Benefit Reporting and Recordkeeping for Single Employer Plans" have been published, (see the 8/15/80 Fed. Reg., pp.54370-1). For further information contact Mary Lin at 202/523-9595.

#### OFFICE OF MANAGEMENT AND BUDGET

Semi-annual agenda for upcoming action on Improving Government Relations is being published by the Office of Management and Budget, (see the 8/11/80 Fed. Reg., pp.53288-91). This action is in accordance with OMB's internal guidelines for implementing Executive Order 12044, Improving Government Relations, as published in the 6/15/79 Fed. Reg. Included in those Circulars that are subject to the Executive Order 12044 guidelines are: A-73 Audit of Federal operations and programs; A-102 Uniform administrative requirements for grants-in-aid to State and local governments, and; FMC 73-6 Coordinating indirect cost rates and audit at educational institutions. For additional information contact agency contract person listed for entry in the agenda, c/o Office of Management and Budget, 726 Jackson Place, N.W., Washington, D.C. 20503. On background information contact Linda Smith at above address.

#### SECURITIES AND EXCHANGE COMMISSION

"Free Enterprise in a Free Society" was the title of an 8/8/80 address on corporate governance in the 1980's delivered by SEC Chairman Harold Williams in an appearance before the Graduate School of Administration, Rice University and the Forum Club of Houston. Chairman Williams stated that the real issue was the accountability of corporate power and that in looking for solutions,

"we need to concentrate on improving the overall effectiveness with which the present system functions rather than experiment with a totally new system of accountability." Earlier in his remarks, Williams stated little confidence in the Government's ability to be prescriptive without also being oppressive to the point of destruction, concerning corporate mechanisms. Chairman Williams reaffirmed his position that the answer is to be found in the corporate board room. He then outlined his views on the functions and responsibilities of the corporate board, including the role of nominating and audit committees. In respect to Federal chartering of corporations, Williams said that he was "opposed to Federal legislation or regulatory action to charter corporations."

Numerous proposals to amend SEC rules, regulations, and required financial statements will be discussed in a Commission open meeting, 8/21/80, beginning at 10:00 a.m. Topics for discussion include: Rules 16b-3 of the Securities Exchange Act of 1934; Form 10-K, Rule 14a-3, Rule 14c-3, and Regulation S-K; Form S-15; Form 10-Q. There will also be consideration of whether to adopt amendments to existing rules which establish uniform instructions governing the periods to be covered by financial statements.

#### TREASURY, DEPARTMENT OF

Currency Transaction Report, Form 4789, which will reflect the new rules that increase the requirements for the reporting of large currency transactions by banks and other institutions is being revised according to the IRS. The new form should be available by 9/80 at IRS district offices. Under the new Treasury rules, which became effective 7/7/80, Part 103, Title 31 of the Federal Regulations Code, financial institutions are required to report any unusual currency transactions in excess of \$10,000. According to the Treasury, the rules are meant to improve the effectiveness of the currency-reporting provisions (of the Bank Secrecy Act) and provide important information concerning currency from illegal transactions and previously unreported flows of currency in the U.S. Among other provisions the new regulations seek to: restrict the ability of financial institutions to exempt customers from the reporting requirements; remove existing exemptions from the reporting of large currency transactions by miscellaneous financial institutions; and require retention of the report for five years. Currently, transactions with an established customer maintaining a deposit relationship are exempt from the reporting requirement. The amendment limits this exemption to certain domestic businesses.

## **AICPA** *Washington Report*

**American Institute of Certified Public Accountants**

1620 Eye Street, N.W., Washington, D.C. 20006

**FIRST CLASS MAIL**